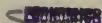
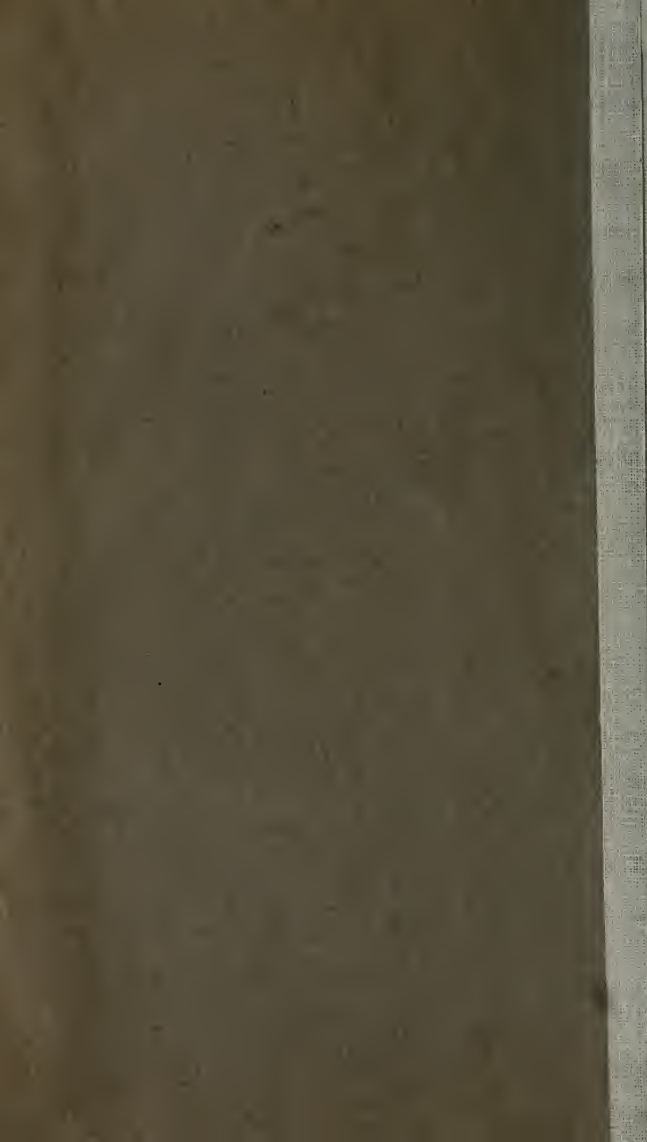


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LETTER

TO THE

RIGHT HONOURABLE THE

EARL OF LIVERPOOL,

First Lord of the Treasury, &c. &c. &c.

ON THE

IMPOSSIBILITY

OF A

SPEEDY RETURN

TO A

Gold Currency.

BY CHARLES LYNE, ESQ.

LONDON:

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1819.

W. Marchant, Printer, Ingram-court, London.

A LETTER,

&c. &c

MY LORD,

THE great importance of the question now at issue, whether the Paper-Money-System of this country is to be persevered in, or discontinued, is a sufficient excuse for the observations of any individual; nay indeed it would rather be inexcusable to withhold sentiments which may be conceived useful on such an important occasion, in which the welfare of the community is so much involved : — it is this impression that

induces me to submit to your Lordship's more enlightened understanding the following observations ; with the view, and in the hope, that they may, in some degree, tend to elucidate a question, which, though of the most vital consequence, it is evident, is by the public but imperfectly understood.

That the great and essential bearings of this subject have not been sufficiently developed, is evident, from the variety of adverse opinions so tenaciously advocated on both sides ; whereas, every additional light that can farther be thrown upon it may, it is presumed, lead to its better comprehension, and to a consequent nearer approach of sentiment in those who are to decide ; while it is now become also equally requisite, that the public at large should have a more comprehensive view of the

expediency of what is ultimately to be determined upon.

The former discussions of this question, especially in the year 1810, by the legislature, and by numerous individuals, sufficiently evinced at the time, that the sentiments and opinions of those who then spoke and wrote on the subject were by no means mature, nor so clear and conclusive, as to carry conviction either to the minds of those who thought differently, or to those whose opinions were yet to be formed; and, as circumstances essentially applicable to the question have since occurred, which in many points completely confute erroneous opinions that were at that period, and are still strongly contended for; while a variety of *new and important matter* now offers a developement of bearings that were not, on the former occasion, *even in the*

contemplation of those who then discussed the subject, it appears on these grounds the more requisite, that those who have now turned their thoughts to the question, should diffuse the new lights which so materially affect it.

It is to be presumed that no person, who is at all acquainted with the financial state and expenditure of the United Kingdom for the last twenty-five years will contend, that she could have made the efforts, or have obtained the object she has, (the pacification of Europe,) without the charge of an immense expenditure ; or, that such expenditure could have been incurred, without our Paper-Money-System ; hence it will be admitted, that our present enormous debt could not consequently have been contracted without our paper-money ; on this point, it is presumed, all are

agreed. This enormous debt then being contracted by the means of paper-money, it is conceived by many, that it is expedient we should return to a metallic currency; and without investigating the practicability of such a system, or the consequent result, they strongly contend for its adoption; and that, on the fascinating delusion, that by so doing, we should not only reduce the price of all necessaries of life and of luxuries, and consequently emerge from a state of comparative difficulty to one of ease and affluence; but that we should place the stability of the country on a more solid and permanent foundation; as if that was at all dependent on its being possessed of thirty or forty millions of bullion more or less. Now it does appear evident, in the first place, that it is not possible, in the present augmented state of increased traffic and increased

debt of the country, (requiring a consequent increase of circulating medium,) to acquire such a quantity of bullion as will enable us to return to a metallic currency ; and secondly, that if, under such circumstances, the attempt was to be made, every individual in the country, rich and poor, land-owner, stockholder, manufacturer, mechanic, and labourer, would suffer most dreadfully by the experiment ; and after all it will be seen, that it can only be a fruitless attempt.

With the good faith and immeasurable resources of this country, it has not been a difficult task to contract an enormous debt by virtue of our paper-money *supported by the Bank Restriction-Act* ; but, it is not possible, under existing circumstances, to pay in specie the interest of this paper-money-created debt ; nor is it

possible to acquire, under these existing circumstances (hereinafter enumerated), an adequate quantity of gold bullion for the common purposes of circulation. It must be kept in mind, that our paper-money circulation is not confined to Bank of England notes ;—these form the smallest proportion of the currency, or circulating medium of the United Kingdom ; whereas, if by the discontinuance of the Bank Restriction-Act, we invalidate the legality, and lessen the confidence in *that* paper, which is so essentially solid by its debt from government, it is not to be conceived that the confidence in the country bank notes and the Irish notes, (for which there is no security to the public,) is to remain unimpaired ; if then, as must be calculated upon, the confidence of the public be shaken, it is not the amount only of the Bank of England notes that is to be provided for by a metallic

currency, but it is for the country bankers and Irish notes also ; for the country must be provided with a currency commensurate to what is now in circulation ; or otherwise, the traffic, agricultural, commercial, and every other, must be curtailed, and with it the means of every individual ; and hence, the consequent reduction of the revenue.

It may be conceived by those who are advocates for the discontinuance of the restriction, that the government have only to sacrifice something in paying an additional price to obtain a sufficiency of gold ; or it may be conceived, that the public will, for the most part, be satisfied, as hitherto, with paper-money : in respect to the former it will be found, that no additional price will command a sufficient supply of gold bullion ; and as to the public being satisfied to take paper-money when they have the

option of gold, that must altogether depend on future contingencies ; and those of various kinds, which can neither be defined, nor even taken into any tangible sort of calculation for the present.— Bank of England notes have, *in virtue of the Restriction-Act*, stood unimpaired the test of very severe trials, and they have served every lawful purpose, to the general benefit of the whole community ; but, if the Restriction-Act be withdrawn, the nature and validity of these notes become at once changed.

But suppose, for the sake of argument, that the confidence of the public was not to be diminished, as to the solidity of the bank-notes, especially as long as we continue in peace ; it becomes nevertheless necessary to consider, while the public have the option of calling for gold or for notes, what are the causes that will occasion them to call for and prefer the former ;

a war, or even a strong rumour of war, never fails to cause an alarm, and that alarm will always be found to have a considerable influence in withdrawing gold coin from circulation; and as its disappearance becomes manifest, so much the more does it become looked for,—hence a rise in the price of bullion, and from that arises the unlawful melting of coin into bullion; and if to this be added the probable unfavourable turn in our exchanges, thence follows the other drain of unlawful export of the gold coin:—but these contemplated drains of gold arise from political causes,—there are other causes which are equally powerful, and in the course of nature are likely to occur over and over again, and probably at more early periods;—a bad harvest, for instance, causes an almost *immediate* balance of payments against England; which, in its usual rapid progress, will in a very short time outstep

any balance of payments arising from our *progressive* exports, and cause consequently an almost immediate depression of our exchanges, and hence a never-failing drain of our gold coin.

The funds and the financial state of almost every country in Europe are now become an important vent for the investment of English property; it is well known, that they stand, almost all, in need of great pecuniary aid; and that a great proportion of that aid will necessarily be obtained from England; it will be had from hence by the great disparity of interest of money obtainable here with that offered by investment in foreign funds: hence therefore, another certain and progressive drain of English capital, which will most likely go on increasing, as individuals go on gaining additional confidence in the stability of foreign governments, more especially in respect to France;

to this must be added the very considerable expenditure on the Continent by English emigrants ; and it will appear, that these two objects, with the amount of the imports, will more than counterbalance the amount of our exports :—from this must follow a continued unfavourable state of our exchanges, causing consequently the occasional export of gold coin.

These are all causes why we must look to an almost certain though occasional export, and consequent decrease of gold ; whereas, by the discontinuance of the Restriction-Act, and a consequent return to a metallic currency, we should stand in need of an *immense import* and increase of gold ; it becomes necessary therefore, to examine how far, under the present existing circumstances, it be possible to obtain such a quantity of bullion (gold bullion, be it understood, as hereafter explained) as will supply the place

of the paper money (Bank of England, country bankers', and Irish notes) now forming the circulating medium of the United Kingdom.—To draw a fair estimate of this difficulty, (it may be said, indeed, of this impossibility), it will be right to come to some estimate of the notes now in circulation:—taking therefore the Bank of England notes at the sum of £25,000,000

And the country bankers'

notes in England, Scot-

land, and Ireland, at . . £40,000,000

They together form an aggregate sum of	$\left. \begin{array}{l} \text{£25,000,000} \\ \text{£40,000,000} \end{array} \right\} \text{£65,000,000}$
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It is to the whole of this paper-money circulation of the United Kingdom that we must look, and not to the Bank of England notes only: no person at all conversant in matters of this kind will

it is presumed, for a moment admit the propriety of curtailing the circulating medium of the country;—the agricultural distress in the year 1816, occasioned, in a very great degree by a diminution of the circulation of country bankers' notes, is quite sufficient to show the dreadful consequences that are to be expected in the event of a general diminution of the circulating medium of the United Kingdom; which diminution would inevitably tend to the utter ruin of many, and to a general reduction of the profit, and to the impoverishment of the means of every individual; consequently, to the utter impossibility of collecting any thing near the present amount of taxes.—It is then to the £65,000,000, that we are to look as the circulating medium of the United Kingdom; and taking into consideration the causes aforementioned, which occasion, and must continue to occasion, a

demand for gold in preference to notes, it becomes proper to examine how this sum of £65,000,000 of gold, or indeed any thing near it, can be obtained to supply the place of the paper-money.—Gold is mentioned to the exclusion of silver, as speaking of the coin of the country, because, by a late act of Parliament, gold coin, if the Restriction-Act be discontinued, will become the only legal tender for payments beyond the sum of forty shillings, to which it has been thought proper to limit the payment of silver; and because also, the standard is fixed only in reference to gold, not to silver; gold is therefore the metal that we are to look to for supplying the place of Bank of England and of country bankers' notes; and how a sufficient quantity of that metal is to be obtained under existing circumstances, becomes the question for consideration.

That the Bank of England may or may not be prepared for the resumption of gold payments, as far as it may be called upon for its own notes, is not the object of this Letter to discuss: it would be hard indeed, if by the calling in of a great portion of bank-notes, it could not be so prepared; but because the Bank be presumed to be so prepared, is that a sufficient motive for the discontinuance of the Restriction-Act?

What is to become of all the other part of the circulating medium of the kingdom? for the Bank of England notes, it must be recollected, form the smallest proportion; nor is the will, the welfare, or interest of the Bank of England to be taken solely in view, as a guide of what can or ought to be done; no more than, because the Bank of England can stand the withdrawing of the restriction, is it to be effectuated, and all the other great interests of the public be lost sight of.

And if a great portion of the circulating medium is withdrawn, the consequence will be a great increase in the value of the remaining medium, and a great loss to the public.

The public must have a circulating medium commensurate to its wants in the present increased state of debt, of revenue, and of general traffic ; it is therefore requisite to look to a supply of gold far beyond what may be necessary merely to enable the Bank of England to resume cash-payments ; and how to obtain that large supply, and *to continue it in circulation when obtained*, is the question for examination :—to proceed to this, it will be necessary to have in view the financial state and the financial wants of other countries, as well as our own ; inasmuch as those countries are all requiring and acquiring additions of gold and silver for their wants of increased circulating medium.

It must be in the knowledge of every person, that as the traffic, the expenditure, and the debt of a country in-

crease, so must its circulating medium ; and that the late long and expensive war has considerably increased the expenditure and debts of every country engaged in it ; and that these augmentations of expenditure and of debts have therefore increased the circulating medium of every power in Europe :—it will be further in the knowledge of the public, that the many attempts at circulating an *undepreciated* paper-money have failed in every part of the world, England alone excepted ; in some parts the attempts have failed *in toto*, the paper-money becoming of no value at all ;—in others, it has passed, and now passes, at considerable rates of discount, more or less, according to circumstances ; in Russia, Spain, and Portugal, the discounts are at this moment very considerable ; this then is the state of most all the continental powers, with an increased circulating medium, requiring an increas-

ed quantity of gold and silver: and as they have a positive and absolute need of these precious metals, inasmuch as they do not possess an *undepreciated* paper-currency to supply the place of gold and silver coin, so it follows, that they must and will pay a high price, and make a great sacrifice to obtain them;—this so far shows the competition, the powerful competition, we have to contend with for an article for which in fact we have no real call; nor have we ever stood in so little need of it for purposes of circulation, since the commencement of our paper-money.

Now it does happen also, that while the demand is so unusually great for a general increased circulating medium, there is also an increased demand for it, for consumption of another kind, for domestic purposes; and if enquiry be made

into that particular, it will be found that this consumption is by no means inconsiderable.

The next consideration will refer to the supply, and it so happens, that while there is such an increased *general* demand and consumption, there is a much smaller supply than when the demand was not near so large as it now is ; and moreover, that the diminished supply from the mines in South America has been for many years subject to embarrassments which are now increased ; this diminished supply being also now subject to impediments which formerly did not exist, occasioned by the war in South America, which has not only the appearance of long continuance, but may possibly be carried to such a length, as for a time to put an almost complete stop to any importation from thence ; and yet under

all these circumstances of increased demand, with a diminished and *uncertain* supply, we are willing to persuade ourselves, that we stand in great want of this article, of which, in fact, we never had so little need ; and are even eager to carry this imaginary want so far, as wantonly to take away the main prop and validity of our most excellent substitute, an unimpaired paper-currency, which has stood the test of all our difficulties ; so that in creating this imaginary want into a real one, we may, in that case, make the welfare of the country eventually depend on an unusually great supply of gold, which in fact is not to be had, and without which, experience has shown that the wisdom of our Restrictive-Act has enabled us to do so well ; not only to enable us to carry into execution all our own purposes, foreign and domestic, political and commercial, but also to assist the

principal continental powers to carry into execution their extensive operations and expenditure ; and now after all our pecuniary difficulties are surmounted, we are to be told, that if we do not return to a metallic-currency, “ some dreadful calamity is inevitable ;” surely we are not to suppose, that such is the serious conviction of any well-informed man :—Suppose it were possible to obtain forty or fifty millions of gold for circulation, and that by some accident the whole of it was to be sunk into the sea, are we to be told that the country was ruined ? or even that its resources were to be considered as materially impaired ? it is not to be believed that such a sentiment can be seriously entertained.

It is, doubtless, rather difficult to persuade theorists that bank-notes are as good for purposes of circulation as gold

coin ; even after the long experience they have had ; and that experience too obtained in time of great difficulties : but the very idea of gold against paper-money is really so very prepossessing to uninformed minds, that we ought not to be astonished at many being misled :—the public are moreover taught to believe, that if we had no paper-money, and that gold was consequently to be the currency, we should get more for our money than we now do :—so we probably should ; but let them recollect also, that we should by that change of system have much less money to expend ; for if our circulating-medium was now to return to gold, that circulating-medium must be extremely reduced ; and that reduction would necessarily lessen the means of every individual ; and let them further recollect, that the lessening of individual means will lessen the means and revenue of government. Hence the re-

duction of dividends to the stock-holder ; while also the lower the price of articles, the produce of the land, &c. &c. the less rent to the land-holder ; the less hire to the labourer ; and consequently the less the means become to the stock-holder, the land-owner, and the labourer, the less they will have to lay out with the manufacturer and mechanic.—Thus then the means of all classes will be improved ; so that this alluring improvement from paper-money to gold, would after all prove a mere deception ; while the consequences of the experiment would no doubt prove fatal to all parties.—Then again if the question be considered in a political point of view, as to the pre-eminent station which Great Britain holds in the rank of nations, no person will ever contend that our paper-money system has not very materially tended to increase the resources of the country ;

and consequently to have largely contributed to her high rank.—Hence, if this source of means be trenched upon and rendered less available, that character and strength will diminish in the same ratio;—and hence also, a greater probability of being involved in war, while the means of carrying it to a successful issue would be materially impaired.

Admitting then the indisputable facts already stated,—

That the increased expenditure and consequent increased debts of the principal powers of Europe necessarily require a proportionate increase of circulating medium :

That the great depreciation of the paper-money of foreign powers must of necessity lead to a

great sacrifice on their parts for the obtainment of bullion :

That the progressive and considerable investment of English capital in foreign funds, with the great farther British expenditure on the Continent by English residents and visitors, must, together with the imports from thence, create an unfavorable balance of payments against this country :

That such unfavorable balance of payments must create a consequent unfavorable state in our foreign exchanges, and

That an unfavorable state of the exchanges causes an export of bullion and coin ; and farther,

though by no means the least material consideration on this important question,

That, while all the continental powers are requiring considerable quantities of bullion for additions to their gold and silver circulation, the mines producing these metals are in a state of *diminished and uncertain production*; and that now in particular, by the insurrection in the Spanish colonies, and by the state of the mines, the supplies from thence are become still less productive, and *more precarious* than ever :

is it then, and at this moment too, with all these obstacles, wise to discontinue our chief prop to our paper-money system, and render it less available? and

in this time of peace and comparative state of ease, to persuade ourselves that we cannot go on without a return to a specie-circulation? Surely those who so earnestly advocate this measure cannot be serious; or, otherwise, they cannot have sufficiently considered the subject.

It may not be amiss to remind those who are now considering this question, that Russia, Spain, and Portugal, have, at this moment, a very considerable paper-money circulation, all passing at very considerable rates of discount. The paper-money of Russia amounts to no less a sum than £40,000,000 sterling, and is now at a discount of about 70 per cent. The amounts of those of Spain and Portugal are not known, but the discount of the former is about 75 per cent. and of the latter about 16 per cent. The government of Russia, seeing the necessity

*By the mention of this it is clear
that the government in Russia, Spain & Portugal*

of rescuing if possible her paper-money from absolute annihilation, has very wisely endeavoured for some time past to ameliorate it by the encouragement which it affords to all importers of bullion, in coining it for them free of all expense whatever ; this encouragement, with an expectation of a consequent diminution in the discount of the paper-money, necessarily producing an amendment in her foreign exchanges, has caused an immense influx of silver ; and the new coinage, that was issued in the course of the year 1817, amounted to no less a sum than £8,000,000 sterling, — the Royal Mint at St. Petersburg still continuing in full employ, and all this for account of individuals. The State, in the attainment of this object, being at the only comparatively small expense of coining the bullion which is brought to it by individuals, foreigners and natives.

Another circumstance worthy of notice is, that the Royal Mint at Rio de Janerio is occupied in stamping all the Spanish dollars it can acquire into Brazil coin, with an addition of no less than 20 per cent. to their standard value ; this for the purpose of increasing their circulating medium.

These may be considered as two important specimens of the competition we have to contend with ; and as we have confined ourselves to gold by fixing our standard to that scarce article, and by the limitation of silver payments to forty shillings, the greater must be our difficulty on that score also ; it is not the object of this to discuss how far it may have been politic so to have confined ourselves ; no more indeed than it is to discuss that of the discontinuance of the

practice of coining for individuals as formerly.

The absurdity which has been so repeatedly advanced, that an increase or decrease in the issue of Bank of England notes affects the state of our foreign exchanges, will it is presumed be no longer entertained, since those who have been of that opinion, need only refer to the comparative rates of exchange with the cotemporary Bank issues, from the time of the restriction to the present moment, in which they will find abundant proof to subvert what they had so confidently conceived; but whence such jealousy as to an increased issue of Bank of England notes in particular? Are they, as being more secure by the debt from government, the more obnoxious? For it is observable that while such jealousy is entertained against

the issue of Bank of England notes,
 none is ever advanced against an in-
 creased issue of country notes, although
 they are to a much greater amount, and
 for them the public have no security ;
 on the contrary, not long since, there
 was a general complaint that there was
 not enough of the latter in circulation,
 and the agricultural interest was cer-
 tainly suffering much from the want of
 them. How can it be then, that while
 one sort of notes, the most important in
 amount and the least secure, is so much
 wanted, and does so much good, that the
 others, the least in amount and the most
 secure, are considered to do so much
 harm? It will require more than human
 wisdom to make such a case intelligible.
 —And again, it seems to be conceived,
 that the Directors of the Bank of Eng-
 land can increase their issues at plea-
 sure ; whereas, while a diminution of its

issues does in fact depend on the Directors, by a discontinuance of an accommodation to government and to the public, it does not depend on them to increase their issues ; for unless government or the public apply for accommodation, the Directors have it not in their power to augment their circulation.

Setting aside for the present all the obstacles which are dependent on our relations, commercial and political, with foreign countries, and those too, as to investment and expenditure of English capital abroad, together with the diminished supply of, and increased general demand for, gold and silver ; obstacles which, in this statement, are nevertheless deemed *insurmountable* to a return to a metallic currency ; and proceeding without these considerations to investigate into the probable *practical* result of

what must naturally be expected to take place in the actual internal state of the country, on a presumed discontinuance of the Bank Restriction-Act from the 5th of next July; and this, under a presumed conviction, that as far as regards the Bank of England notes, the Bank is fully prepared to return to cash-payments; the first practical material operation on this presumed change of system will be occasioned on the part of the country bankers; not arising, be it observed, from any predilection or matter of convenience that they themselves will feel for coin in preference to Bank of England notes, but proceeding from *positive necessity*.

Every country bank issuing for circulation its own notes, must constantly hold a certain proportionate sum of Bank of England notes, being the only

legal tender it can offer in exchange for its own local notes ; these proportions of Bank of England notes so respectively held, are to a larger or smaller amount according to circumstances, depending in part on the respective amounts of their own issues, on the confidence of the public in their respectability, and on the apprehension of the holders of country notes in distant parts from the metropolis of taking forged Bank of England notes, which they have not the means of verifying on the spot. The aggregate amount of the country bankers' notes is presumed to be about £40,000,000, and the average portion of Bank of England notes held by them may be estimated at about £5,000,000 ; in the event therefore of a discontinuance of the Bank Restriction-Act, this last-mentioned sum of Bank of England notes must neces-

sarily be *immediately* returned to the Bank to be exchanged for coin; and thus this first positive practical operation of exchange of notes for coin is to be reckoned upon, as taking place *immediately* on the first opening of cash payments. The second operation of cash payments will almost immediately follow by the payment of the July dividends.

The removal from the Bank into distant parts of the country of the £5,000,000 in coin to the country bankers, is quite sufficient to cause a general sensation and degree of alarm; such indeed, it is presumed, as would occasion a demand for a considerable portion of the July dividends now amounting to nearly £10,000,000 to be paid in gold; and it is by no means improbable, that in the eventual state of public feeling at the moment, occasioned partly by the call of specie for the

country bankers, and by the intemperate discussion that may be presumed upon as preceding the discontinuance of the Restriction-Act, that one half at least of these dividends would be called for in specie; and thus these two *immediate* demands would amount to nearly £10,000,000. In addition to these very considerable calls for specie-payments on the resumption of cash issues, it will be but prudent to count upon others, namely, commercial acceptances to foreign bills of exchange, and the payment of subsequent dividends, which, though not coming *immediately* for any very large amounts, would notwithstanding be progressive, and continued to the complete exhaustion of the whole of whatever the Bank may have been enabled to accumulate; and let it always be had in mind, that these demands must, for the reasons already stated, be chiefly for gold coin.

These important demands then for coin in exchange for Bank of England notes, must, in the proportion that they be satisfied, drive the notes in general, Bank of England and country, out of circulation ; and in the same ratio, that coin becomes more liked than notes, so, in that proportion, will the Bank notes become in less estimation ; and if Bank of England notes, *for which the public have security*, grow out of fashion, or become in the view of the public, of less estimation, is it to be presumed, that the country bankers' notes, for which the public have no security, are to maintain *their* estimation ? If the former become in any manner depreciated, the latter must also, *and in a much greater degree.*

It is a notorious fact, and one which is universally admitted by those who are well acquainted with the circulation of

country notes, that if the inhabitants in distant parts from the metropolis were not so apprehensive of forgeries in the Bank of England notes, without having the means of discerning the bad from the good on the spot, the country notes would never have attained the amount of circulation to which they are now got; the moment therefore that the public in those distant parts have the option of receiving coin in lieu of notes, can there be a doubt as to the choice they will make? Hence, therefore, a greater demand for coin, and a consequent diminution of notes, which must eventually become of less use; thus then, as notes grow out of use, must a substitute be found, and that substitute, in the event of a discontinuance of the Restriction-Act, must be gold; and from whence is this additional quantity of gold to be obtained? If it cannot be obtained, the circulating me-

dium must be reduced ; and hence the reduction and impoverishment of the means of every individual in the kingdom ; and with it, the consequent impossibility of collecting the present amount of taxes, with the consequent impossibility of keeping up our present establishment, and of continuing the payment of the interest of the public debt.

If the facts and conclusions which are herein stated be correct ; or indeed, if they be nearly so, it follows, that it is absolutely impracticable to return *now or soon* to a metallic system of currency ; and that if it were practicable, it would be impolitic, inasmuch as, by the system of our paper-money, we possess an undepreciated currency of our own, without depending on the supply of an article of foreign produce, while we have at the same time, by making a proper use of it,

the means of drawing therefrom an advantage for the public in sharing the profit with those who issue the paper-money for circulation; and our stock and import of bullion might then be more beneficially employed by allowing its free export, to counteract the occasional unfavourable state in our foreign exchanges to which we must eventually be exposed.

Should these views and sentiments coincide with the more enlightened understanding of those who will have to decide the question, is it not presumable that they may find it expedient to make the Restriction-Act co-existent with the Bank charter, and in so doing, to secure for the public a farther proportion of the advantages that will be derivable from such measure? and farther, to take into consideration how far some new law may

be expedient for the regulation of the country notes, so as, on the one hand, to render them more secure for the public, by proportionate investments in the funds, to be placed in the hands of public trustees? and, on the other, to obtain for the public, either by tax or otherwise, a more adequate proportion of the immense advantages which the country bankers are now deriving? Thus might this important question be set at rest, consistent with the *security* and the *advantage* of the public at large; while this proposed improvement would at the same time, become popular, as it became better understood; more especially if the additional advantages to be drawn from it for the public were to be applied to the reduction or the repeal of some objectionable tax.

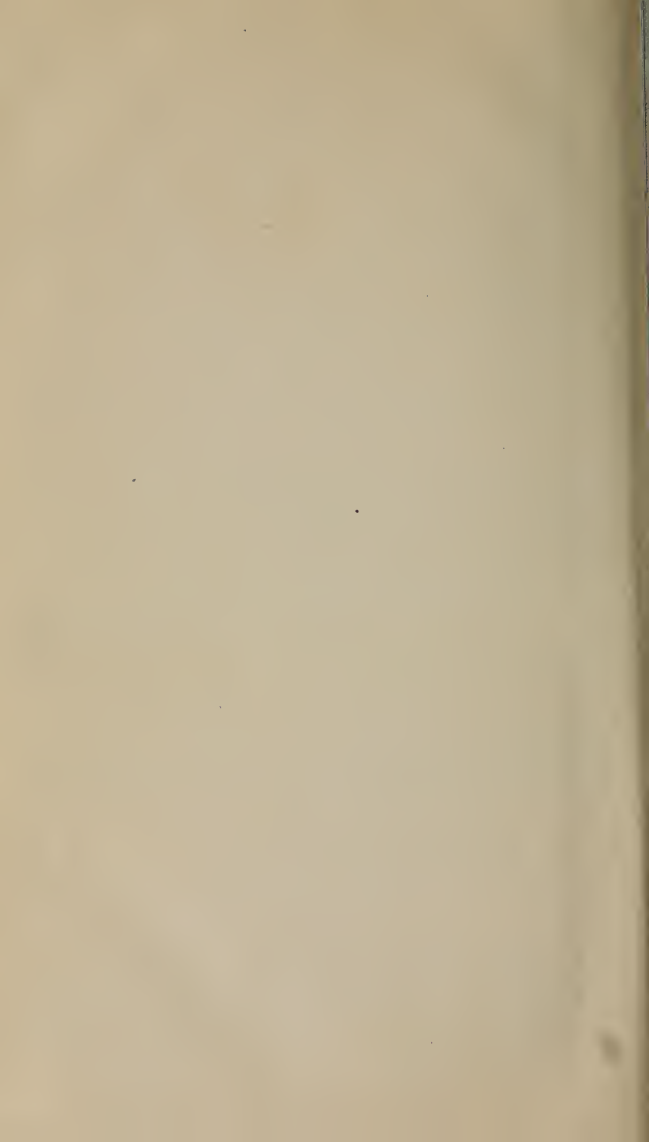
The most powerful and the most opu-

lent countries have severally used their utmost endeavours to establish an *undepreciated* paper-money currency ; France and the United States of North America have failed *in toto* ; Russia, Spain, and Portugal, have failed in certain degrees ; the paper-money of these latter countries passing at enormous rates of *open* discount, more or less according to circumstances ; England alone has succeeded in the attainment of this great desideratum ; and now it appears, that no inconsiderable part of the community, under the influence of an erroneous understanding of the question, are desirous of its annihilation ; and, if not firmly resisted by the wisdom of the legislature, we shall have to deplore the baneful catastrophe of this most useful and advantageous substitute.

The intimate connection between this important subject and the duties of the high office which are so ably discharged by your Lordship, will, I hope, be considered a sufficient excuse for the present intrusion upon your Lordship's valuable time and attention.

I am, My LORD,
 with great respect,
 Your Lordship's
 most obedient and
 most humble servant,
 CHARLES LYNE.

*Devonshire-Place,
 January 30th, 1819.*









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